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**Meeting:** Social Care, Health and Housing Overview and Scrutiny Committee

**Date:** 21 January 2013

**Subject:** Proposals to Develop Affordable Extra Care Housing in Dunstable

**Report of:** Cllr Mrs Carole Hegley , Executive Member for Social Care, Health and Housing

**Summary:** The purpose of this report is to provide Overview and Scrutiny Committee with information about the development of approximately 80 Extra Care housing apartments on the redundant Dukeminster site in Dunstable.

Extra Care housing combines high quality, self contained, accommodation and communal facilities with the availability of care and support 24 hours a day, seven days a week. Apartments will be available at affordable rents and for purchase on shared ownership basis.

The Dukeminster site is likely to be the first in a programme of Extra Care housing development across Central Bedfordshire and is a considerable investment in both the accommodation for and care of older people in the area.

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**Advising Officer:** Julie Ogley, Director of Social Care, Health and Housing

**Contact Officer:** Madeleine Bell, Programme Manager

**Public/Exempt:** Public Report

**Wards Affected:** Dunstable Central Ward

**Function of:** The Executive

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## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

1. Through the provision of high quality, cost effective accommodation with 24 hour, seven day a week care on site, this proposal supports the following Council priorities
  - Promote health and well-being and protecting the vulnerable.
  - Value for money

### **Financial:**

2. The financial implications are set out below in paragraphs 23 to 27.

**Legal:**

3. The Council has a statutory duty under the National Health Service and community care Act 1990 to assess the needs of people in its area who may need community care services. Where appropriate this may necessitate the provision of suitable accommodation to meet those needs. The proposals contained in this report will help the Council to comply with this duty.

**Risk Management:**

4. The following risks have been identified:
  - Failure to deliver the Council's priorities, Medium Term Plan, the Housing Strategy 2011-15, and programmes including Residential Futures
  - Failure to make adequate provision for the accommodation needs of older people in Central Bedfordshire, both in the short term and also by addressing future need
  - Failure to promote town centre regeneration
  - Failure to manage the allocation/letting process to ensure that the scheme addresses the residents that are in need
  - Failure to discharge statutory responsibilities.

In addition, there are a number of financial risks, including:

- Slippage in timeframes
- Failure to secure Home and Communities Agency (HCA) funding
- Failure to realise shared ownership sales and rent income due to lack of demand/need for accommodation provided
- Failure to deliver the General Fund savings required in 2014/15
- Uncertainty over construction costs and actual rent income.

These identified risks will be managed throughout the project, and appropriate mitigating action taken.

**Staffing (including Trades Unions):**

5. Not Applicable.

**Equalities/Human Rights:**

6. Public authorities have a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. National and local research indicates that there is a shortage of appropriate and affordable housing for older people. The approval of this proposal will play an important role in helping to improve outcomes for vulnerable older people.

## **Public Health**

7. Extra Care housing has a positive impact on public health. Studies have shown that where access to extra care is available, over 80 year olds with care needs are half as likely to move into an institutional care home in the future. Extra Care housing residents are less likely to be admitted into a hospital for an overnight stay compared to someone of a matched demographic living in the community.

## **Community Safety:**

8. The provision of well designed accommodation with 24 hours, seven day a week care will enhance the safety and security of older people. In addition, the communal facilities provided will be open to all members of the community and so should promote intergenerational understanding and support.

## **Sustainability:**

9. The location of the Dukeminster site provides the opportunity to regenerate and enhance the centre of Dunstable and bring people back into living in the town.

## **Procurement:**

10. A detailed procurement exercise will be undertaken to ensure value for money in the construction of the building and associated services.

## **RECOMMENDATION(S):**

**The Committee is asked to consider the report and recommend to the Executive the development of the Extra Care scheme at the Dukeminster site in Dunstable.**

## **Introduction**

11. The Office of National Statistics, 2011 census figures, estimated that 39,900 (15.7%) of the Central Bedfordshire population were aged 65+. This figure is predicted to increase to 54,200 (19.1% of CB population) by 2021 – an increase of 35.8%. The number of very old people, those 85 years or older, is estimated to increase from 4,700 to 7,100 an increase of 51.1% in the same period.
12. Changes in life expectancy, while very welcome, present considerable challenges in the efficient provision of accommodation and high quality care for older people. The right type of accommodation can promote independence and self-reliance and reduce social isolation. The importance of well designed accommodation and services has been recognised in the Central Bedfordshire Housing Strategy 2011- 2015, Key Strategic Priority 3 *Meeting the Accommodation Needs of Older and Vulnerable People* and in the Medium Term Plan target, *Provide 50 extra care flats by 2014*.
13. The development of Extra Care housing is part of the wider strategic response of the Council to increasing numbers of older people its population. A number of projects have been brought together in the Meeting the Accommodation Needs of Older People Programme (MANOP), including the review of Council owned Sheltered housing, the establishment of a dementia quality accreditation scheme, with increased fee levels, the establishment of a Framework Agreement for engaging with providers of care homes in the move away from block contract arrangements and the development of a robust evidence base to inform future decision making.

## **Extra Care Housing**

14. Extra Care housing, sometimes called “very sheltered” housing or “assisted living”, is a relatively new concept in the provision of housing and care services. Extra Care seeks to provide good quality housing, in a supportive environment, coupled with the availability of round-the-clock care.
15. The focus of Extra Care is to promote and foster independence and self-reliance in a supportive environment. Extra Care schemes generally consist of a number of self-contained apartments or bungalows grouped together with communal facilities such as cafés, hobby rooms, beauty suites and multi-purpose meeting rooms. The use of the facilities by members of the public is encouraged to ensure that the scheme is integrated into the life of the community. Care and support services are provided on-site, usually 24 hours a day, seven days a week. The provision of care in a purpose built and well-designed setting can enhance well-being, support independence and combat debilitating loneliness and isolation.
16. As part of MANOP, the Council will need to consider the provision of at least 420 units of Extra Care housing over the next seven years. Early thinking is that some of these schemes will be developed and managed directly by the Council’s Housing Services, while others will be delivered by partner organisations with Council support. The proposed scheme at Dukeminster, Dunstable, is the first of these developments to come forward.

## **Dukeminster Dunstable**

17. The site at the redundant Dukeminster industrial estate has outline planning permission for a predominantly residential development with some commercial elements. The proposed Extra Care scheme will occupy a prominent corner position on the site and will be highly visible when entering the town from Luton, a situation of particular importance given the route of the Guided Bus.
18. It is proposed that approximately 80 apartments will be provided. These will be divided equally between 40 one bedroom apartments suitable for two people and 40 two bedroom apartments designed to accommodate three people. The apartments will be fully self-contained, with their own front door and all facilities. The draft plans show them to be generously sized to ensure there is sufficient space for wheelchair access, personal possessions, storage and assistive technology. All one bed apartments are sufficiently large to convert to two bed should future needs require this.
19. It is likely that, 60 of the apartments will be available to rent at “formula rents”, consistent with Council and Housing Association (social) rents, while 20 will be for sale for owner occupation on a shared-ownership basis. Owner occupiers will be able to purchase either 50% or 75% of the value of the apartments. No rent will be due on the remaining share if 75% is purchased. Work is currently ongoing to ensure that rents and service charges will be reasonable and within the budget of retired people on low incomes.
20. In addition to the self-contained accommodation, a range of other facilities will be provided on site. The exact nature of these is to be determined in consultation with older peoples representative groups but is likely to include a café open to public use, a lounge, a health and beauty suite, a library, hobby rooms, guest rooms, a therapy suite, bathing spas for assisted bathing and multi-purpose meeting rooms. It is envisaged that the majority of these facilities will be open to the general public.

21. As part of the development it is proposed that 270m<sup>2</sup> of retail space will be provided to be leased to a commercial operator.
22. Dukeminster represents an exciting opportunity to improve the accommodation and care services offered to our older residents and to provide cost effective, value for money services. The scheme will be a major investment, not only in the services Central Bedfordshire Council offers to older people, but also in the physical regeneration of Dunstable town centre. The prominent position of the site, on the route of the Guided Bus, provides the opportunity to improve the built environment of Dunstable, and the facilities provided will benefit not only residents, but the community as a whole.

### **Financial Considerations**

23. As well as providing better outcomes for residents needing care and support, Extra Care is also more cost effective than other forms of residential care, such as that provided in care homes. The expansion of Extra Care facilities in the area will allow for the efficient use of Council resources in the provision of care for elderly residents. It is envisaged that residents will have a range of care needs including mild to moderate dementia and the focus will be on allowing them to remain in their own apartment for as long as possible.
24. The Localism Act of 2011 brought about fundamental reform to council housing finance, which is detailed more fully in the draft Housing Revenue Account budget report, considered by Executive Committee on the 8th January 2013. The Self-financing regime introduced on 1 April 2012, has given the Council greater autonomy and influence over the financial management of their housing assets. The Landlord Service Business Plan shows rental income will exceed the anticipated costs of managing the stock over the 30 year period; indeed, freed from the constraints of the Subsidy system, the HRA is forecast to generate surpluses after interest repayments of approximately £5m each year for the next 4 financial years. This compares favourably to the Subsidy system, where approximately £10m a year was paid to Central Government, to be re-distributed to other local authorities.
25. The Council has therefore benefitted from the new Self Financing regime. The draft HRA Budget report explains that a Sheltered Housing Re-Provision Reserve (SHRR) will be set up as a source of funding for investment in new build Extra Care accommodation and improvements to the existing sheltered accommodation. If the HRA budget report is approved by Executive Committee, it is forecast that the SHRR Reserve, as at 31 March 2013, will amount to £8.653m. This Reserve is funded from the annual surplus' in rental income over management and maintenance costs that is being achieved. This Reserve will increase in value during 2014 and 2015.
26. It is proposed that the SHRP is used to fund the development of the extra care housing scheme at Dukeminster, as the primary source of funding. However, the financing of this proposed scheme will draw from various sources, which shall include -
  1. The Council will seek grant funding from the Homes and Communities Agency, as the Council has secured Investment Partner status.
  2. There will be the sales receipts from (approximately) 28 shared ownership sales.

3. Right to Buy sales receipts will be invested, which is envisaged by the Government as a means to deliver new build affordable housing. In August 2012, the Council signed up to an agreement with Government to retain receipts to deliver new build affordable housing and is forecast to retain approximately £0.500m for investment in replacement stock. Indeed, the ability to retain this money actually depends on the council re-providing new build stock on a one for one replacement basis.
4. Money received as s106 payments to the Council, for the purpose of delivering that new build affordable housing could be invested in the Dukeminster scheme.

The resources required are adequate to deliver the scheme and the proposed investment represents value for money. The exact funding mix can be determined at a later date, in terms of best use of the resources available.

27. As the first year of self-financing draws to a close, Central Bedfordshire Council is already benefiting from the ability to be more strategic in planning how best to manage the asset, to benefit tenants and residents, as well as to achieve wider council objectives. The delivery of extra care housing will also result in savings to the General Fund, as a reduction in the cost of residential care for older people. The proposed efficiency savings in 2014-16 amount to £480k, of which Dukeminster will secure a saving, per annum, of approximately £218k.

### **Development Programme**

28. It is proposed that the Dukeminster site be the first in a series of developments across Central Bedfordshire. It is intended that some of the sites will be developed directly by the Council, while others will be developed by partner organisations such as housing associations.

### **Conclusion and Next Steps**

29. The anticipated timetable for the development is given in Table 1 below,

Table 1. Proposals to Develop Affordable Extra Care Housing in Dunstable  
Proposed Timetable

<b>Activity</b>	<b>Date</b>
Bid to DoH	16 <sup>th</sup> January 2013
Report to Executive	5 <sup>th</sup> February 2013
Detailed Planning Permission Applied For	April 2013
Planning Permission Obtained	August 2013
Construction Commences	Autumn 2013
Construction Complete	Winter 2014

30. It is anticipated that the Dukeminster site, Dunstable will be the first in a programme to extend Extra Care housing across Central Bedfordshire. It represents a major investment in improving accommodation and care to the older residents in the area. The scheme supports the strategic direction to reduce the use of institutional provision of care, and moves towards a personal approach. It also support the Key Strategic Priority 3 in the Housing Strategy, *Meeting the Accommodation Needs of Older and Vulnerable People* and meets the Medium Term Plan target, *Provide 50 extra care flats by 2014*.

**Appendix:** None